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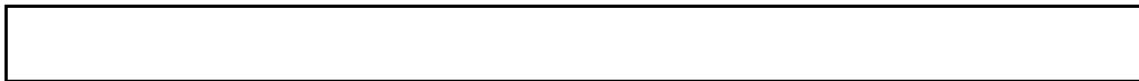


2 August 1963

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CENTRAL INTELLIGENCE BULLETIN



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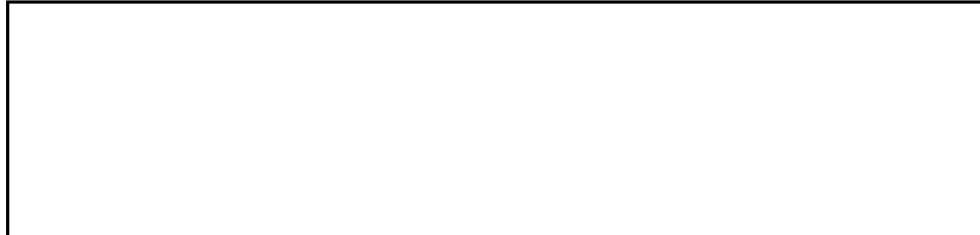
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USSR: (The Soviet Union may be planning to end its production of SA-2 (Guideline) surface-to-air missiles by the end of next year.)

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the USSR's extensive deployment program of SA-2 launch sites, of which about 700 have been identified in the USSR alone, is near completion.)

(The pace of SA-2 deployment may already have decreased as requirements for defended areas are completed and in anticipation of newer SAM systems.)

(The network of SA-2 launch sites serves as the primary all-weather SAM defense against aircraft at medium and high altitudes. The Soviets also possess at least two other SAM systems, one possibly for low-altitude defense.)

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DAILY BRIEF

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Angola: (The first substantial shipment of arms for the Angolan rebels has reportedly reached the Congo.)

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[REDACTED]
[REDACTED] The shipment probably includes the arms-- said to be enough to equip two battalions of 600 men each--that have been stored in Tunisia awaiting transportation since Algerian Premier Ben Bella gave them to the UPA last November.)

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[REDACTED] (The long-awaited arms will increase the morale and effectiveness of Roberto's forces at a time when he is seeking broader international aid and recognition. For the past eighteen months, the Portuguese have been able to contain the guerrilla operations within extreme northern Angola. With the arrival of new arms, the UPA intends to expand the fighting.)

(The shipment will reduce one of the rebels' most serious deficiencies, but they still suffer from lack of training and money for other supplies, particularly food.) [REDACTED]

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DAILY BRIEF

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Brazil: President Goulart has taken an important step toward increasing his influence in the army.

On 26 July, Goulart approved the promotion of 16 officers to the rank of brigadier general or higher, some of whom have not played any prominent political role. Eight of these have leftist ultranationalist connections. The others are described as "legalists."

Among the promoted officers is Argemiro de Assis Brasil, an extreme leftist who is [redacted] probably controlled by the Communist Party. Assis Brasil was far down the list of officers eligible for promotion. His selection probably could not have been accomplished without Goulart's personal intervention.

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Approximately 110 general officers are now on active service in the Brazilian Army. [redacted]

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DAILY BRIEF

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Guatemala: (Guatemalan-British tensions over the British-Honduran question may be further increased by the Peralta government's recent enactment of new anti-British measures and the possibility that more may follow.)

(Following its 24 July break in diplomatic relations with London, the Guatemalan Government moved on 30 July to require the registration of all British holdings in the country on pain of intervention or closure. A Guatemalan spokesman has informed the US Embassy that other moves, including a break in commercial relations with London and the outright intervention of all British assets in Guatemala, are to be considered shortly.)

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(There has been no evidence of new Guatemalan military moves in the area bordering British Honduras since the posting of some infantry on 25 and 26 July, and the initiation of aerial reconnaissance patrols over the border. US Ambassador Bell in Guatemala comments that there still appears to be no intent on Peralta's part to launch a military move against British Honduras, but he considers the present flare-up in the long-standing Guatemalan-British dispute to be more serious than previous ones.)

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Sweden: The government has come under new attacks following the recent disclosure that Defense Minister Andersson, and perhaps other cabinet officers, had been advised as early as 1959 that Colonel Wennerstrom was under suspicion of spying for the Soviets.

Prior to these revelations, which were made by a special judicial investigating commission, the government had appeared to be weathering the storm. Now, however, the opposition parties may be encouraged to press for elections sooner than those now set for late 1964. In any event, the government is expected to have a difficult time later this year when it goes before parliament with a sharply increased defense budget made necessary because of the damage sustained as a result of Wennerstrom's activities.

In a 31 July broadcast, Prime Minister Erlander sought to dampen criticism now being leveled against his government by again promising that there would be no backing away from an impartial investigation of the Wennerstrom case. A more concrete gesture to assuage public indignation is likely to be the resignations of those ministers most directly involved.

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DAILY BRIEF

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Cuba: (Anibal Escalante, the veteran Cuban Communist who was bitterly denounced by Fidel Castro and sent into exile in March 1962, may shortly return to Cuba.)

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(Escalante was accused by Castro of leading the attempt by prerevolutionary Cuban Communists to seize control of the regime. He was Castro's leading scapegoat for several months in 1962 and Castro went so far as to charge that Escalante's "sectarian" methods had come close to destroying the Cuban revolution. After Escalante's purge, his colleagues in Cuba adjusted to Castro's leadership and have continued to hold important positions in the government.)

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(Escalante's return, which could have been arranged during Castro's visit to the USSR, might presage closer working relationships between the veteran Cuban Communists and Castro. Escalante's considerable talents as an organizer could be used in the regime's current efforts to develop its political machine.)

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DAILY BRIEF

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Argentina: President-elect Illia of the left-of-center People's Radical Civic Union has taken a softer line than some other of his party leaders on what to do about government contracts with foreign--mostly US--petroleum companies.

Illia is said to favor canceling out only some of the contracts while renegotiating certain others and submitting them to review by a special session of Congress soon after his inauguration on 12 October. However, Illia's running mate, Carlos Perette, who was elected by the electoral college despite some concern over his occasionally leftist and opportunist tendencies, has spoken out strongly in favor of annulment. Illia will face difficulties since his party does not have a majority in the Chamber of Deputies and the composition of the Senate is not yet completed. His main program, however, is to concentrate on the immediate economic problems of the country and on political reconciliation.

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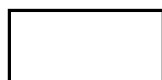
NOTES

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*Bolivia: Leaders of the tin miners have rejected government proposals for reforming the industry and reportedly have called for a general strike of the miners. Guillermo Bedregal, the head of the state mining corporation, thinks the miners may be bluffing. However, the head of the Bolivian Communist Party, who has been agitating in the mining area, appears to be convinced that a walkout is imminent.

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